

SUSTAINABILITY RISK POLICY

This policy applies to the group of legal entities whose parent company is Columbia Threadneedle Investments UK International Limited and which formerly traded as BMO Global Asset Management EMEA. These entities are now part of Columbia Threadneedle Investments which is the asset management business of Ameriprise Financial, Inc.

Policy adopted pursuant to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the “SFDR”) First Adopted: 10 March 2021

Introduction

This document describes the policy (the “Policy”) which the Company has adopted in order to comply with certain applicable requirements of the SFDR. This Policy forms part of and should be read in conjunction with the risk management framework adopted by the Company.

It is the responsibility of the board of directors of the Company (the “Board”) to ensure that the design of the Policy is appropriate for the Company, given the nature, scale and complexity of the Company and its sub-fund(s).

Definitions

“**ESG**” means environmental, social and governance;

“**Fund**” means a sub-fund of the Company;

“**Investment Manager**” / “**Sub-Investment Manager**” has the meaning set out in the Prospectus;

“**Sustainability Risk**” means an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment; and

“**UCITS Directive**” means Directive 2009/65/EC, as amended, supplemented or replaced from time to time.

Disclosure on integration of Sustainability Risk into investment decision making process

Pursuant to the requirements of SFDR, the Company is obliged to disclose the manner in which Sustainability Risks are integrated into the investment process and the results of the assessment of the likely impacts of sustainability risks on the returns of each Fund.

As the Company delegates investment management of the Funds to the Investment Manager, it relies on the application of the Investment Manager’s own sustainability risk policy in respect of each Fund. As such, the Company has adopted the Investment Manager’s policy on the integration of sustainability risks.

A summary of how the Investment Manager integrates sustainability risks is set out in Appendix A.

Information on the Company’s approach to sustainability risks shall also be published on its website and included in the Prospectus.

Transparency of Remuneration Policies in Relation to the Integration of Sustainability Risks

The Company has established and maintains a remuneration policy in accordance with the UCITS Directive. The remuneration policy promotes sound and effective risk management and to avoid excessive risk taking, and has been amended to take account of Sustainability Risks.

Details of the remuneration policy shall be maintained on the Company's website.

Consideration of Principal Adverse Impacts

The Company is required, under Article 4 of SFDR, to make certain disclosures on its website explaining whether it considers principal adverse impacts of investment decisions on sustainability factors.

As the Company delegates investment management of the Funds to the Investment Manager, the Company's policy is to rely on the Investment Manager's approach to considering the principal adverse impacts of investment decisions on sustainability factors. The Investment Manager's approach is summarised in **Appendix B**.

Categorisation of the Funds

The Funds are considered by the Company, in consultation with the Investment Manager, not to fall within the scope of either Article 8 or Article 9 of SFDR. By 1 January 2022, the Company shall ensure that the relevant disclosures relating to the categorisation of the Funds are included in the Prospectus.

Review of disclosures

The Company shall ensure that any information published in accordance with this Policy is kept up to date. Where the Company amends such information, a clear explanation of such amendment shall be published on the same website.

Marketing Communications

Without prejudice to stricter sectoral legislation, in particular Directives 2009/65/EC, 2014/65/EU and (EU) 2016/97 and Regulation (EU) No 1286/2014, the Company shall ensure that its marketing communications do not contradict the information disclosed pursuant to the SFDR.

Review of Policy

The Board will review this policy, as appropriate and on at least an annual basis.

Appendix A

How the Investment Manager integrates sustainability risks

The Investment Manager adheres to a sustainability risk policy. This policy is summarised below and is available on the Investment Manager's website at <https://protect-eu.mimecast.com/s/UaLGCP16BF0mnG9CReHlj?domain=bmo.com>

The Investment Manager does not apply negative screens to exclude entire sectors, nor does it set minimum weightings for sectors deemed to have positive sustainability credentials. The Investment Manager's approach is to consider both positive and negative ESG factors within the totality of its investment research alongside its customary regard for competitive advantage, balance sheet risk and valuation.

The Investment Manager believes the best approach to ESG research is a combination of internal analysis and specialist external independent research. However, responsibility for assessing these issues lies with the portfolio managers considering a stock for inclusion in a portfolio. These are then reviewed by the full investment team before investment can take place. The Investment Manager does not have a separate ESG team involved in research. However, representatives of all areas of the business form an ESG "Forum" to analyse broad ESG themes and to coordinate responses to client and regulatory priorities.

The Investment Manager assigns an ESG rating to every stock it researches. This rating ranges from '1' where the Investment Manager feels a company faces no material ESG risks over the next five years to '5' where a company faces moderate to high ESG risks over the same period and is not adequately addressing them. The rating is derived by examining the following factors which the Investment Manager has concluded are the most relevant to its investment philosophy and process:

- i) Environmental:
 - a. GHG emissions
 - b. Climate change
 - c. Depletion of resources
 - d. Toxic chemical use and disposal
 - e. Business opportunities
- ii) Social:
 - a. Social impact
 - b. Health & Safety
 - c. Discrimination
 - d. Diversity
 - e. Political risk from involvement in troubled markets
 - f. Living wage
- iii) Governance:
 - a. Executive compensation
 - b. Separation of Chairman/CEO
 - c. Dual or single share class
 - d. Board independence

The ESG rating assigned to each stock will be reviewed at least annually and is presented for any new stock proposed for inclusion in a portfolio.

In considering sustainability risks as applicable to fixed income securities, the Investment Manager monitors the government level ESG rating assigned by MSCI to the countries in its fixed income universe. However, this universe is limited to sovereign bonds from governments who achieve an AA or above credit rating. The Investment Manager does not believe there is yet a reliable way of differentiating between these sovereign issuers on ESG grounds.

Appendix B

The Investment Manager's approach to the consideration of principal adverse impacts (PAI) on sustainability factors.

The Company notes that the Investment Manager is currently not considering the principal adverse impacts of its investment decisions on sustainability factors as the standardisation of data and adoption of sustainability metric reporting requires a degree of maturity before their inclusion into the investment process. The Investment Manager intends to keep the availability of data under review to assess how it can meaningfully inform its investment process.